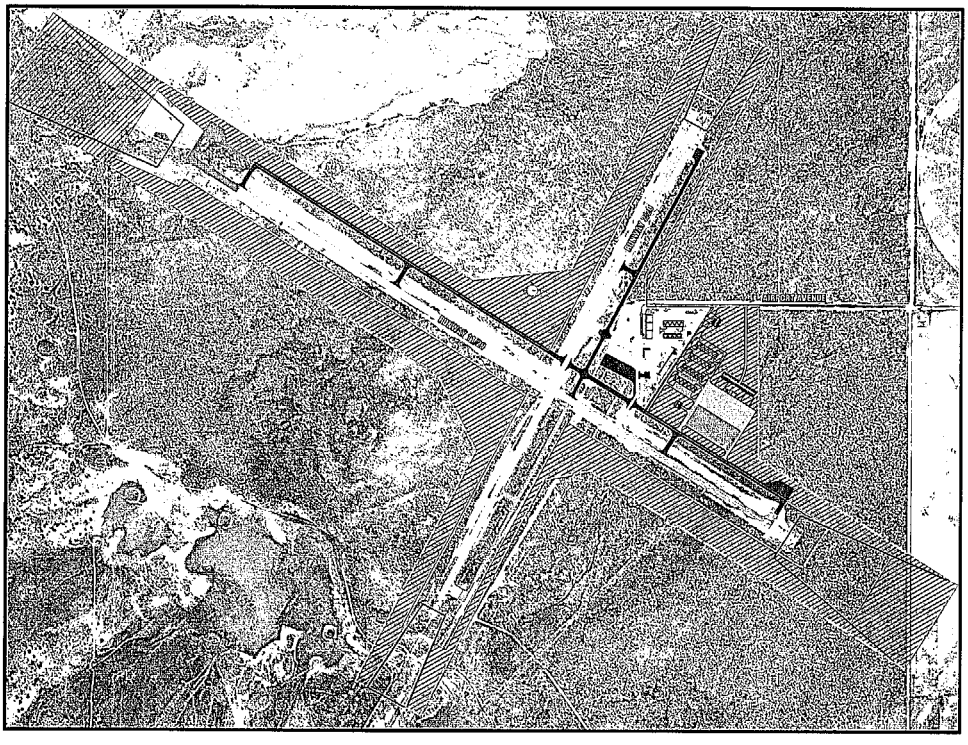
COLORADO CITY
MUNICIPAL AIRPORT

Chapter Six
FINANCIAL PLAN

Chapter Six

FINANCIAL PLANS



The successful implementation of the Colorado City Municipal Airport Master Plan will require sound judgement on the part of Town management. Among the more important factors influencing decisions to carry out a recommendation are timing and airport activity. Both of these factors should be used as references in plan implementation.

Experience has indicated that major problems have materialized from the standard format of past planning documents. These problems center around the plan's inflexibility and inherent inability to deal with new issues that develop from unforeseen changes that may occur after it is completed. The demand-based format used in the development of this master plan has attempted to deal with this issue.

While it is necessary for scheduling and budgeting purposes to consider the timing of airport development, the actual need for facilities is established by airport activity. Proper master planning implementation suggests the use of airport activity levels rather than time as guidance for development. Tracking airport activity levels and then comparing these to forecast activity levels and facility requirements provides decision-makers with the ability to anticipate and plan for when actual facilities are needed.

The presentation of the financial plan has been organized into two sections. First, the airport development schedule is presented in narrative and graphic form. Secondly, airport improvement funding sources on the federal, state, and local levels are identified and discussed.

AIRPORT DEVELOPMENT SCHEDULE AND COST SUMMARIES

Once the specific needs and improvements for the airport have been established, the next step is to determine a realistic schedule and costs for implementing the plan. The airport development schedule presented in this chapter outlines the costs for each recommended project, the timing for implementation, and estimates federal and state funding eligibility for each airport improvement project as well as the local share costs for completing the recommended improvements. The program outlined on the following pages has been evaluated from a variety of perspectives and represents the culmination of a comparative analysis of basic budget factors, demand, and priority assignments.

Individual project cost estimates were increased by 30 percent to account for engineering and other contingencies that may be experienced during the implementation of the project. Due to the conceptual nature of a master plan, implementation of capital improvement projects should occur only after further refinement of their design and costs through engineering and/or architectural analyses. Capital costs in this chapter should be viewed only as estimates subject to further refinement during design. Nevertheless, these estimates are considered sufficient for performing the feasibility analyses in this chapter. Project costs are listed in current (1998) dollars.

Since forecast demand and operational changes can change, frequently on short notice, the airport development schedule has been divided into planning horizons, reflecting short term (0-5 years), intermediate term (6-10 years), and long term (10-20 years) goals and needs. Planning horizons are intended to reflect the fact that many future improvements for the airport are demand-based, rather than time-based, and that the actual need to improve facilities will be linked to specific activity levels. The airport development schedule should be viewed as a fluid document which can be modified to reflect actual airport activity needs. **Table 6A** summarizes the key activity milestones for each planning period.

TABLE 6A
Planning Horizon Activity Levels

	1997	Short Term Planning Horizon	Intermediate Term Planning Horizon	Long Term Planning Horizon
Based Aircraft	10	16	20	30
Annual Operations	3,000	5,600	7,500	13,500

The short-term planning period covers items of highest priority. Because of their priority, these are the only items scheduled year-by-year so as to be

easily incorporated into Town, State, and FAA programming. When short term planning horizon activity levels are reached, it will be time to program for the intermediate term based upon the next level of projected activity. Similarly, when these activity levels are reached, it will be time to program for long term activity levels.

Exhibit 6A summarizes the airport development schedule for Colorado City Municipal Airport. The following sections describe each planning horizon in more detail.

SHORT TERM PLANNING HORIZON IMPROVEMENTS

As indicated above, the short term planning horizon is the only development stage that is correlated to time due to development within this initial period being concentrated on the most immediate needs of the airport. Therefore, the program is presented year-by-year to assist in capital improvement programming.

The short term planning horizon outlines the anticipated capital needs of airport over the next five fiscal years (FY 2000 to FY 2004). Short term planning horizon improvements are estimated to cost approximately $3.1 million and include the following:

Taxiway Development: Presently, each runway is without parallel taxiway access to each runway end. To reach a runway end, an aircraft must back-taxi along the runway and turnaround at the runway end. This compromises safety and reduces airfield capacity as aircraft occupy the runway for extended periods of time to back-taxi to the runway end or the terminal area. Three separate projects are programmed for this planning period to develop taxiway access to each end of Runway 11-29 and the Runway 20 end. The construction of a partial parallel taxiway from Runway 2-20 to the Runway 29 end is programmed for FY 2002 while the construction of the remaining portion of the taxiway to the Runway 11 end is programmed for FY 2004. The construction of a partial parallel taxiway from Runway 11-29 to the Runway 20 end is programmed for FY 2003. Each of these projects is eligible for both State and Federal grants. Prior to taxiway development, the existing segmented circle and lighted wind cone must be relocated as they are located in the area planned for taxiway development. The segmented circle and lighted wind cone are planned to be relocated west of Runway 2-20.

Land Acquisition: Presently, the runway visibility zone and the area to a 35-foot clearance of the transitional surface (commonly used to define a building restriction line) for both Runway 11-29 and Runway 2-20 extend beyond the existing airport property line. Additionally, the future object free area and runway safety areas for Runway 11-29 extend beyond the existing property line. The acquisition of these areas is intended to fully protect these areas from development which could compromise aircraft safety and the ability of the airport to expand. Additional property acquisitions programmed for the short term planning horizon include property to protect the ultimate runway protection

zone to Runway 29, and for apron and building development east of the existing terminal area. All property acquisition in the short-term planning horizon is programmed for FY 2001. The planned property acquisitions total approximately 240 acres, of which 160 acres is estimated to be located on United States Department of the Interior, Bureau of Land Management (BLM) land. BLM land is eligible for transfer to the Town for airport purposes. A cost estimate has not been prepared as the costs to complete the land transfer (which may include a cadastral survey) are assumed to be completed with Town funding. Land acquisition is eligible for both state and federal grant assistance.

Facility Development: The development of an aircraft wash and maintenance facility, paved automobile parking at the terminal building, and the installation of an additional fuel storage tank for Jet-A gasoline are included in the short term planning horizon. An aircraft wash/maintenance facility (programmed for FY 2002) is intended to provide an area for aircraft owner's to complete minor aircraft maintenance while providing a single sanitary location for the proper disposal of aircraft cleaning fluids and water used during aircraft washing in accordance with environmental regulations. Presently, the automobile parking area at the terminal building is unpaved. Two projects have been programmed for FY 2001 to grade, pave, and drain the existing parking areas and install security lighting. Presently, Jet-A is stored in a mobile fuel truck. The installation of 10,000 gallon above-ground storage tank has been programmed for FY 2000 to provide for additional storage capability and the ability to accommodate a full tanker load of fuel (8,000 gallons).

Instrument Approach Procedures: The establishment of Global Positioning System (GPS) approach procedures to each end of Runway 11-29 is included in the short term planning horizon. Presently, the FAA is not planning to develop GPS approach procedures for the airport. The FAA will develop GPS instrument approach at the request of the Town.

Exhibit 6B provides a graphical depiction of short term planning horizon improvements.

INTERMEDIATE TERM PLANNING HORIZON

Many of the intermediate planning horizon improvements are intended to develop the east apron area. This includes constructing the northern half of the apron and a helipad, constructing an access road and parking, and extending primary utility lines to the area. Conventional hangars are assumed to be developed privately. Additional intermediate term projects include extending chain link fencing around the entire airport property line to reduce the chances of local wildlife inadvertently accessing airfield operations area, constructing taxiway access to the Runway 2 end, and constructing four T-hangars. Pavement preservation is also programmed for the intermediate term planning horizon. This typically includes a slurry seal and/or small pavement repairs.

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Description	Total Cost	Federally Eligible	ADOT Eligible	Local Share
Short Term Planning Horizon				
2000				
1. Expand Existing Apron to the South	$319,800	$0	$287,820	$31,980
2. Establish One-Mile Visibility Minimum GPS Approaches to Runways 11 and 29	0	0	0	0
3. Install 10,000 Gallon Jet-A Storage Tank	25,000	0	0	25,000
Subtotal	***344,800***	***0***	***287,820***	***56,980***
2001				
4. Purchase Property to Protect Runway 2-20 and Runway 11-29 Transitional Surfaces, Runway 29 RPZ, and RVZ (80 acres)	$312,000	$284,107	$13,946	$13,946
5. Acquire Property From BLM to Protect Runway Transitional Surfaces, RVZ, Runway 29 RPZ, and For Facility Expansion (160 acres)	0	0	0	0
6. Grade, Drain, and Pave Automobile Parking Area	250,000	$0	$225,000	$25,000
7. Install Automobile Parking Area Security Lighting	40,000	$0	$36,000	$4,000
Subtotal	***$602,000***	***$284,107***	***$274,946***	***$42,946***
2002				
8. Construct Aircraft Wash/Aircraft Maintenance Facility	$50,000	$0	$45,000	$5,000
9. Relocate Segmented Circle and Lighted Wind Cone	$6,500	5,919	291	291
10. Construct Taxiway Access to the Runway 29 End	652,200	593,893	29,153	29,153
Subtotal	***$708,700***	***$599,812***	***$74,444***	***$34,444***
2003				
11. Construct Taxiway Access to the Runway 20 End	$655,800	$597,171	$29,314	$29,314
2004				
12. Construct Taxiway Access to the Runway 11 End	$869,500	$791,767	$38,867	$38,867
Total Short Term Planning Horizon	***$3,180,800***	***$2,272,858***	***$705,391***	***$202,551***
Intermediate Term Planning Horizon				
13. Pavement Preservation	$275,000	$0	$247,500	$27,500
14. Upgrade Electrical System	150,000	136,590	6,705	6,705
15. Install Chain Link Fencing Along Airport Perimeter	603,000	549,092	26,954	26,954
16. Construct Four T-Hangars	149,500	0	0	$149,500
17. Construct Taxiway Access to the Runway 2 End	544,200	495,549	24,326	24,326
18. Extend Utilities to East Apron	27,600	25,133	1,234	1,234
19. Construct Access and Auto Parking along East Apron	61,100	55,638	2,731	2,731
20. Construct East Apron (Phase I)/ Construct Helipad	652,800	594,440	29,180	29,180
Total Intermediate Term Planning Horizon	***$2,463,200***	***$1,856,440***	***$338,630***	***$268,130***
Long Term Planning Horizon				
21. Pavement Preservation	$600,000	$0	$540,000	$60,000
22. Install PAPI's to Runways 2 and 20	100,000	91,060	4,470	4,470
23. Construct T-hangar Access Taxiways	152,400	138,775	6,812	6,812
24. Construct Four T-Hangars	149,500	0	0	149,500
25. Construct East Apron (Phase II)	572,700	521,501	25,600	25,600
26. Acquire Property North of Airport Avenue for Expansion (116 acres)	452,400	411,955	20,222	20,222
27. Purchase Property for Runway Extension (29.8 acres)	89,400	81,408	3,996	3,996
28. Extend Runway 11-29 and Parallel Taxiway 600 Feet West	571,200	520,135	25,533	25,533
Total Long Term Planning Horizon	***$2,687,600***	***$1,764,834***	***$626,633***	***$296,133***
Total Airport Development	*$8,331,600*	*$5,894,132*	*$1,670,654*	*$766,814*

COLORADO CITY MUNICIPAL AIRPORT

Exhibit 6A
AIRPORT DEVELOPMENT SCHEDULE

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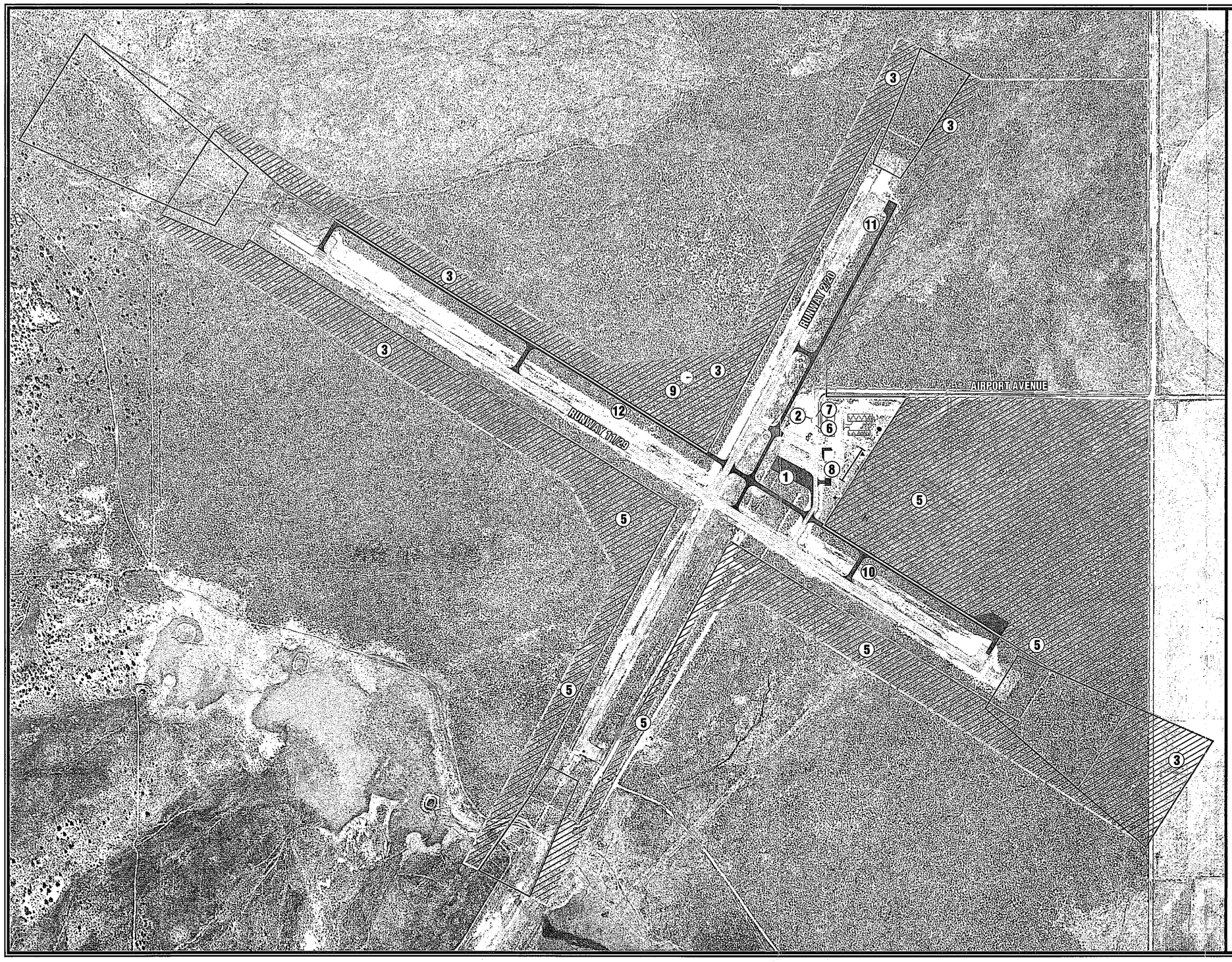

LEGEND

- Existing Airport Property Line
- Ultimate Airport Property Line
- Runway Protection Zone (RPZ)
- AWOS-III (Automated Weather Observation System)
- NDB (Nondirectional Beacon)
- Well
- Water Tank

SHORT TERM PLANNING HORIZON	
	2000
1	Expand Existing Apron to the South
2	Install 10,000 Gallon Jet-A Storage Tank
	2001
3	Purchase Property to Protect Runway 2-20 and Runway 11-29 Transitional Surfaces, Runway 29 RPZ , AND RVZ (80 acres)
5	Acquire Property from BLM to Protect Runway Transitional Surfaces, RVZ, Runway 29 RPZ, and for Facility Expansion (112.5 ac.)
6	Grade, Drain, and Pave Automobile Parking Area
7	Install Automobile Parking Area Security Lighting
	2002
8	Construct Aircraft Wash/Aircraft Maintenance Facility
9	Relocate Segmented Circle and Lighted Wind Cone
10	Construct Taxiway Access to the Runway 29 End
	2003
11	Construct Taxiway Access to the Runway 20 End
	2004
12	Construct Taxiway Access to the Runway 11 End

NORTH

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SCALE IN FEET

Date of Photo: February 19, 1998

COLORADO CITY MUNICIPAL AIRPORT

Exhibit 6B
SHORT TERM PLANNING
HORIZON IMPROVEMENTS

Pavement preservation is planned for the airport access road and all airfield pavements. Total intermediate planning horizon improvements are estimated to cost approximately $2.4 million. **Exhibit 6C** provides a graphical depiction of intermediate planning horizon improvements.

LONG TERM PLANNING HORIZON

By the end of the long term planning horizon, the airport is expected to have 30 based aircraft and have an annual traffic volume of over 13,000 operations. Improvements over the long term planning horizon are designed to keep the airport in pace with projected based aircraft and operational needs.

As the airport exceeds intermediate planning horizon operational milestones, it will be necessary to construct additional T-hangars and apron areas. The T-hangars are planned to be developed along the new apron area east of the existing terminal area. The completion of the east apron area is also planned to provide additional tiedown areas, including larger tiedown locations for business aircraft. The installation of precision approach path indicators (PAPIs) to each end of Runway 2-20 will aid pilots in determining the correct descent path to landing. A 600-foot runway extension and the necessary property acquisitions to accommodate the runway protections zone and runway object free area and runway safety area requirements is programmed should aircraft operators at the airport require this additional length. A provision has been included in the long term planning horizon for routine pavement preservation projects. Total long term planning horizon improvements are estimated to cost approximately $2.6 million. **Exhibit 6D** provides a graphical depiction of long term planning horizon improvements.

AIRPORT DEVELOPMENT AND FUNDING SOURCES

Financing future airport improvements will not rely exclusively upon the financial resources of the Town of Colorado City. Airport improvement funding assistance is available through various grant-in-aid programs at both the state and federal levels. The following discussion outlines the key sources for airport improvement funding and how they can contribute to the successful implementation of this master plan.

FEDERAL AID TO AIRPORTS

The United States Congress has long recognized the need to develop and maintain a system of aviation facilities across the nation for national defense and promotion of interstate commerce. Various grant-in-aid programs to public airports have been established over the years for this purpose. The current federal grant-in-aid program is the Airport Improvement Program (AIP) established in 1982. AIP has been reauthorized several times since 1982, however, the authorized spending levels have varied annually.

The most recent reauthorization for the AIP was included in the Fiscal Year (FY)99 Omnibus Appropriations Act which appropriated $975 million for the AIP through March 31, 1999 - half of the $1.95 billion obligational authority for the year. Congress failed to pass a full year reauthorization of the AIP due to conflicts surrounding capacity "slot" allotments at four major airports and existing service rules at Washington Dulles International Airport. As of December 1998, it is unclear whether the full $1.95 billion will be available for FY 1999. It will be incumbent upon the newly elected Congress to pass the reauthorization before the end of March 1999 to guarantee full authorization levels for the year.

The funding levels authorized in the legislation are not always the levels appropriated in the annual Congressional budget process. In fiscal year 1996, the AIP authorized level was $2.161 billion, but only $1.45 billion was appropriated. Only $1.46 billion of the authorized $2.28 billion was appropriated in 1997. For fiscal year 1998, $1.7 billion of the authorized $2.347 billion was appropriated.

The source for AIP funds is the Aviation Trust Fund. The Aviation Trust Fund was established in 1970 to provide funding for aviation capital investment programs (e.g., facilities and equipment, research and development, and grants for airport development and expansion projects). A majority of the FAA's operations account is financed through the Aviation Trust Fund. The Aviation Trust Fund is funded by federal user fees and taxes on airline tickets, aviation fuel, and various aircraft parts.

AIP Funds are distributed each year by the FAA under authorization from the United States Congress. A portion of each year's authorized level of AIP funding is distributed to all eligible commercial service airports through an entitlement program that guarantees a minimum level of federal assistance each year. These dollars are calculated based upon enplanement and cargo service levels.

The remaining AIP funds are distributed by the FAA to airports based upon the priority of the project for which they have requested Federal assistance. A National Priority Ranking System is used to evaluate and rank each airport project. Those projects with the highest priority are given preference in funding.

Each airport project for Colorado City Municipal Airport must follow this procedure and compete with other airport projects in the State for AIP State Apportionment dollars and across the country for other Federal AIP funds. An important point to consider is that, unlike entitlement dollars for commercial service airports, federal funding is not guaranteed for Colorado City Municipal Airport.

In Arizona, airport development projects that meet FAA's eligibility requirements receive 91.06 percent funding from the AIP. Eligible projects include any public use facility such as airfield and apron improvements. Revenue generating improvements such as fuel facilities and hangars are generally not eligible for AIP funding. FAA has historically not funded these types of facilities, but currently are

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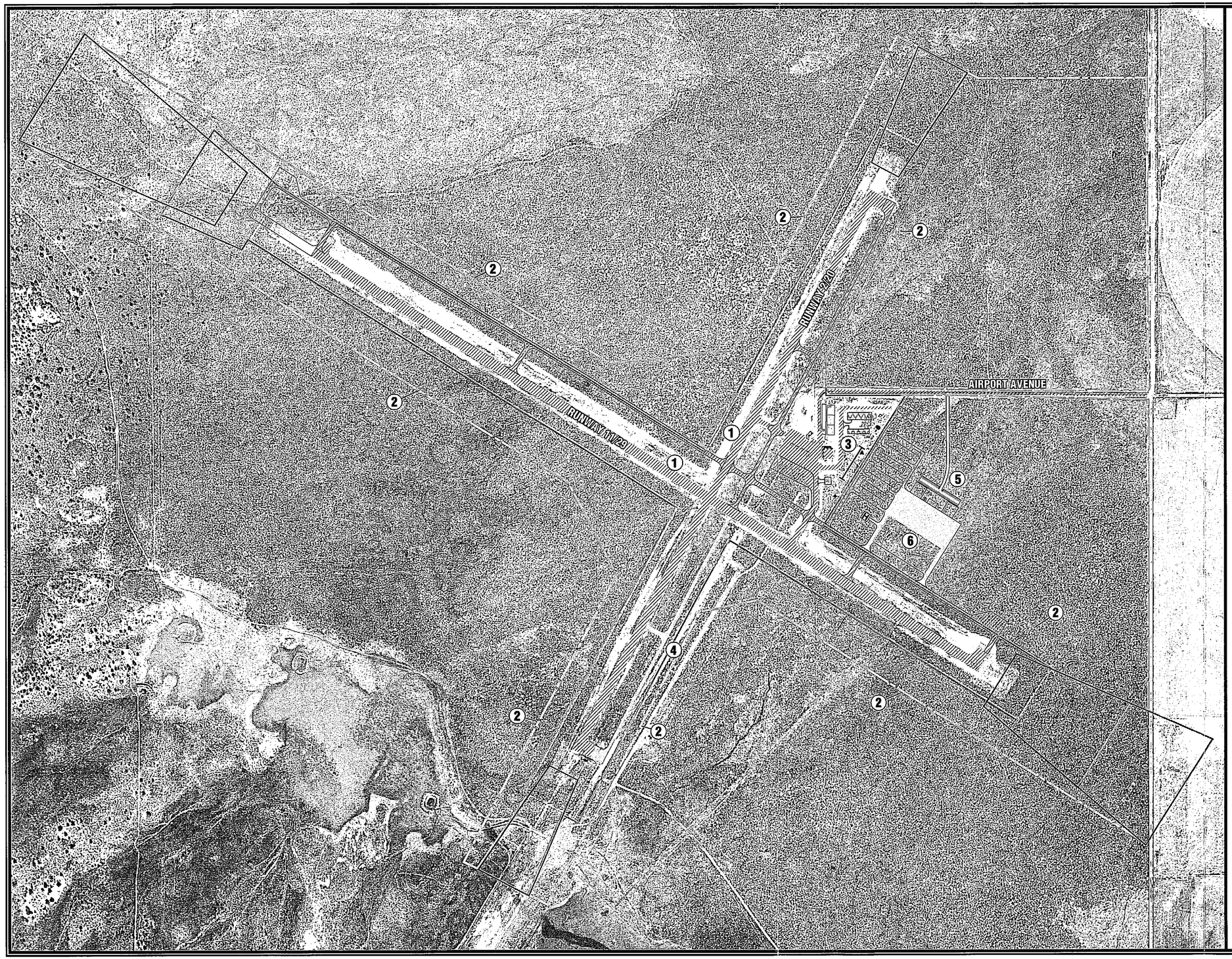

LEGEND

- Existing Airport Property Line
- Ultimate Airport Property Line
- Runway Protection Zone (RPZ)
- AWOS-III (Automated Weather Observation System)
- NDB (Nondirectional Beacon)
- Well
- Water Tank

INTERMEDIATE TERM PLANNING HORIZON	
1	Pavement Preservation
2	Install Chain Link Fencing Along Airport Perimeter
3	Construct Four T-hangars
4	Construct Taxiway Access to the Runway 2 End
5	Construct Access and Auto Parking along East Apron
6	Construct East Apron (Phase I)/Construct Helipad

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SCALE IN FEET

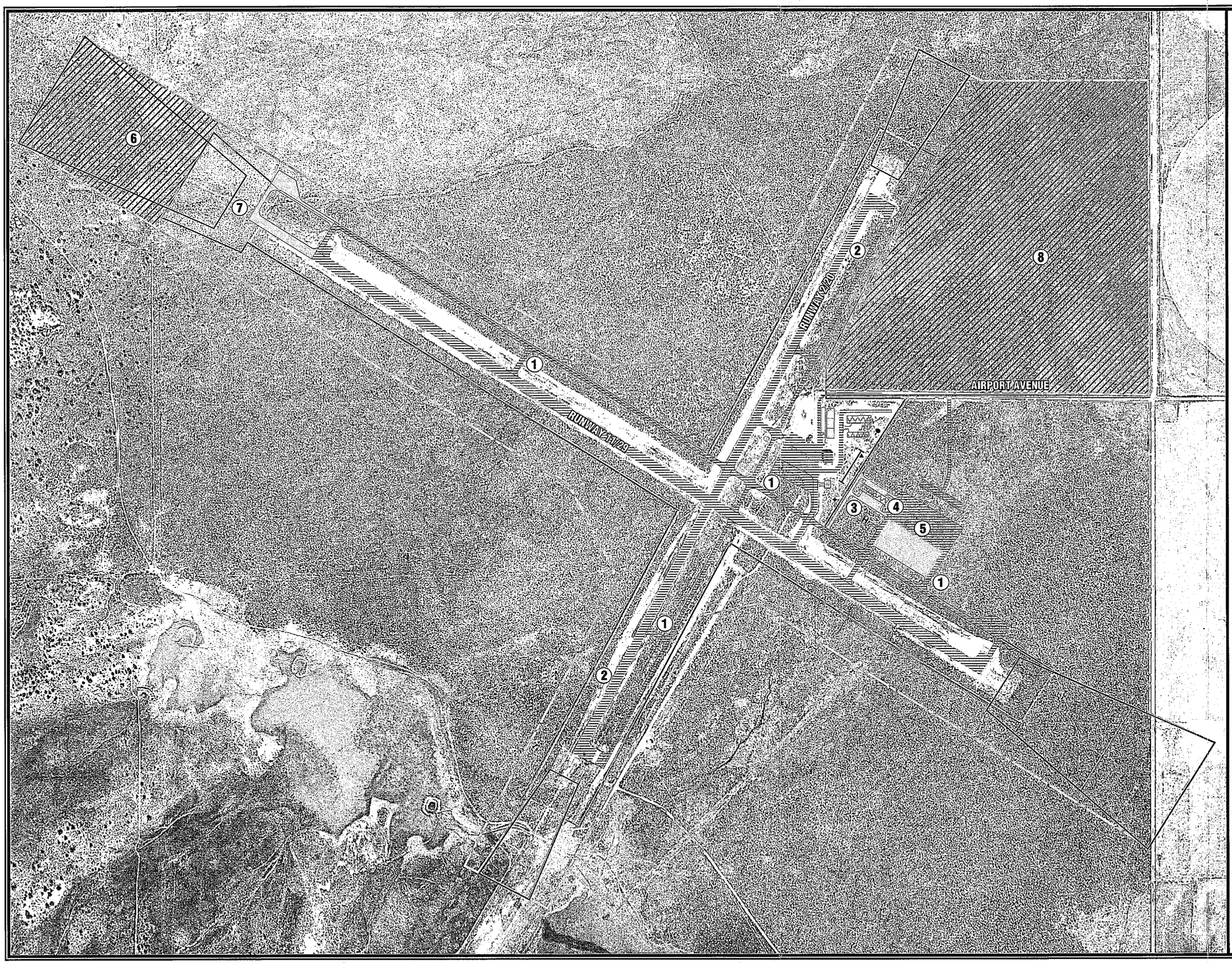
Date of Photo: February 19, 1998

NORTH

COLORADO CITY MUNICIPAL AIRPORT

Exhibit 6C
INTERMEDIATE TERM
PLANNING HORIZON IMPROVEMENTS

97MP13-6D-3/23/99



LEGEND

- Existing Airport Property Line
- Ultimate Airport Property Line
- Runway Protection Zone (RPZ)
- AWOS-III (Automated Weather Observation System)
- NDB (Nondirectional Beacon)
- Well
- Water Tank

LONG TERM PLANNING HORIZON	
1	Pavement Preservation
2	Install PAPI's to Runways 2 and 20
3	Construct T-Hangar Access Taxiways
4	Construct Four T-Hangars
5	Construct East Apron (Phase II)
6	Purchase Property for Runway Extension (29.8 ac.)
7	Extend Runway 11-29 and parallel Taxiway 600' West
8	Acquire Property for Expansion

NORTH

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SCALE IN FEET

Date of Photo: February 19, 1998

COLORADO CITY MUNICIPAL AIRPORT

Exhibit 6D
LONG TERM PLANNING
HORIZON IMPROVEMENTS

under review by the agency for consideration as an eligible airport improvement in the future.

FAA FACILITIES AND EQUIPMENT PROGRAM

The Airway Facilities Division of the FAA administers the national Facilities and Equipment (F&E) Program. This annual program provides funding for the installation and maintenance of various navigational aids and equipment for the national airspace system and airports. Under the F&E program, funding is provided for FAA air traffic control towers, enroute navigational aids such as VOR's, and on-airport navigational aids such as PAPIs, and approach lighting systems. As activity levels and other development warrant, the airport may be considered by the FAA Airways Facilities Division for the installation and maintenance of navigational aids through the F&E program. Recommended improvements in this master plan which may be eligible for funding through the F&E program include the PAPIs to Runways 2 and 20. Should the Airway Facilities Division of the FAA install these navigational aids at the airport, they would be operated and maintained by the FAA at no expense to the airport.

STATE AID TO AIRPORTS

In support of the state airport system, the State of Arizona also participates in airport improvement projects. The source for State airport improvement funds is the Arizona Aviation Fund. Taxes levied by the State on aviation fuel, flight property, aircraft registration tax, and registration fees, (as well as interest on these funds) are deposited in the Arizona Aviation Fund. The Transportation Board establishes the policies for distribution of these State funds.

Under the State of Arizona grant program, an airport can receive funding for one-half (4.47 percent) of the local share of projects receiving federal AIP funding. The State also provides 90 percent funding for projects, such as pavement maintenance, which are not eligible for AIP funding.

State Airport Loan Program

The Arizona Department of Transportation - Aeronautics Division (ADOT) Airport Loan Program was established to enhance the utilization of State funds and provide a flexible funding mechanism to assist airports in funding improvement projects. Eligible projects include runway, taxiway, and apron improvements; land acquisition, planning studies, and the preparation of plans and specifications for airport construction projects, as well as revenue generating improvements such as hangars and fuel storage facilities. Projects which are not currently eligible for the State Airport Loan Program are considered if the project would enhance the airport's ability to be financially self-sufficient.

There are three ways in which the loan funds can be used: Grant Advance, Matching Funds, or Revenue Generating Projects. The Grant

Advance loan funds are provided when the airport can demonstrate the ability to accelerate the development and construction of a multi-phase project. The project(s) must be compatible with the Airport Master Plan and be included in the ADOT 5-year Airport Development Program. The Matching Funds are provided to meet the local matching fund requirement for securing federal airport improvement grants or other federal or state grants. The Revenue Generating funds are provided for airport-related construction projects that are not eligible for funding under another program.

LOCAL FUNDING

The balance of project costs, after consideration has been given to grants, must be funded through local resources. There are several alternatives for local finance options for future development at the airport, including airport revenues, direct funding from the Town, bonds, and leasehold financing.

There are several municipal bonding options available to the Town of Colorado City including: general obligation bonds, limited obligation bonds, and revenue bonds. General obligation bonds are a common form of municipal bond which is issued by voter approval and is secured by the full faith and credit of the Town. Town tax revenues are pledged to retire the debt. As instruments of credit, and because the community secures the bonds, general obligation bonds reduce the available debt level of the community. Due to the community pledge to secure and pay general obligation bonds, they are the most secure type of municipal bond and are generally issued at lower interest rates and carry lower costs of issuance. The primary disadvantage of general obligation bonds are that they require voter approval and subject to statutory debt limits. This requires that they be used for projects that have broad support among the voters, and they be reserved for projects that have the highest public priorities.

In contrast to general obligation bonds, limited obligation bonds (sometimes referred to as a Self Liquidating Bonds) are secured by revenues from a local source. While neither general fund revenues nor the taxing power of the local community is pledged to pay the debt service, these sources may be required to retire the debt if pledged revenues are insufficient to make interest and principal payments on the bonds. These bonds still carry the full faith and credit pledge of the local community and therefore are considered, for the purpose of financial analysis, as part of the debt burden of the local community. The overall debt burden of the local community is a factor in determining interest rates on municipal bonds.

There are several types of revenue bonds, but in general they are a form of municipal bond which is payable solely from the revenue derived from the operation of a facility that was constructed or acquired with the proceeds of the bonds. For example, a Lease Revenue Bond is secured with the income from a lease assigned to the repayment of the bonds. Revenue bonds have become a common form of financing airport improvements.

Revenue bonds present the opportunity to provide those improvements without direct burden to the taxpayer. Revenue bonds normally carry a higher interest rate, lacking the guarantees of general and limited obligation bonds.

Leasehold financing refers to a developer or tenant financing improvements under a long-term ground lease. The obvious advantage of such an arrangement is that it relieves the community of all responsibility for raising the capital funds for improvements. However, the private development of facilities on a ground lease, particularly on property owned by a municipal agency, produces a unique set of problems. In particular, it is more difficult to obtain private financing as only the improvements and the right to continue the lease can be claimed in the event of a default. Ground leases normally provide for the reversion of improvements to the lessor at the end of the lease term, which reduces their potential value to a lender taking possession. Also, companies that want to own their property as a matter of financial policy may not locate where land is only available for lease.

Master ground leases offer a substantial financial advantage to a private developer as there are not any up-front acquisition costs and lease payments are fully deductible for tax purposes; whereas, owned land cannot be depreciated. This option could be structured as a straight ground lease or as a joint venture. Under a straight ground lease to a developer, the Town would not be involved in the construction, financing, sale, or lease of buildings for tenants. However, there may be circumstances where the Town will want to participate in the construction of facilities, either as part of a joint venture or to provide inducements to attract certain tenants. The simplest way to do this is to underwrite the construction and financing of those facilities, keeping them in Town ownership and leasing them to tenants.

As a joint venture partner, the Town would provide funds for construction and permanent financing. A joint venture could be structured so that the various benefits would be available for each partner according to their highest use; for example: tax benefits (such as depreciation) would go to the private developer while cash income would go to the Town. This could be used successfully to fund individual buildings for specific tenants, where lower rents could be charged in exchange for partial ownership, producing income from both rents and interest payments.

These financing techniques offer marketing inducements, as they assume the Town can obtain lower-cost funds than are available in the private market. These lower costs can then be passed through to the development process to reduce lower rental rates. To avoid the appearance of unfairly competing with the private sector, it will be important to establish comparable market rental rates.

The Town of Colorado City presently realizes only a small amount of revenue from the operation of the airport through a contract with the airport Fixed Based Operator, Westwing Aviation, for the management of the

airport and to provide aircraft services (such as aircraft fueling, hangar rental, line service, and maintenance). Under the existing contract, Westwing Aviation pays a monthly rental fee to the Town of Colorado City for the use of portions of the terminal building and aircraft storage/maintenance hangar. Westwing Aviation keeps all revenues generated at the airport (i.e. aircraft fuel sales, hangar rental, etc.).

The T-hangars under development will provide a revenue source in the near future, however, most of the rental fees will be dedicated for loan amortization on the T-hangars. Land leases offer the greatest potential for increased revenues at the airport. In the short term this includes developing hangar lease parcels along the airport entrance road. In the future, this can include aviation-related and non-aviation related commercial and industrial development along the north and south sides of Airport Avenue. An appraisal of current land values should be conducted to establish land lease rates and the value of airport property.

To ensure that the airport maximizes revenue potential in the future the Town of Colorado City should also periodically review aviation services rates and charges (i.e. fuel prices, hangar and tiedown rental) at other regional airports to ensure that rates and charges at the airport are competitive and similar to aviation services at other airports. Additionally, all new leases at the airport should have inflation clauses allowing for periodic rates increases in-line with inflationary factors.

The revenues generated through the monthly rental fees from Westwing Aviation are not sufficient to cover the costs of capital improvements at the airport. The Town of Colorado City has historically funded these improvements from the Town's general fund. Financing future capital improvements is expected to require general Town funds. While it is desirable for the airport to directly pay for itself, the indirect and intangible benefits of the airport to the community's economy and growth must be considered in implementing future capital improvements.

SUMMARY

The best means of beginning the implementation of recommendations of this master plan is to first recognize that planning is a continuous process that does not end with completion of the master plan. Rather, the ability to continuously monitor the existing and forecast status of airport activity must be provided and maintained. The basic issues upon which this master plan is based will remain valid for several years. As such, the primary goal is for the airport to evolve into a facility that will best serve the air transportation needs of the region and to evolve into a self-supporting economic generator for the Town of Colorado City.

In this master plan, focusing on the timing of airport improvements was necessary. However, the actual need for facilities is more appropriately established by airport activity levels rather than a specified date. For

example, projections have been made as to when additional T-hangar facilities would be needed to accommodate based aircraft growth. However, in reality, the time frame in which additional facilities are needed may be substantially different. Actual demand may be slow in reaching forecast activity levels. On the other hand, increased based aircraft totals may establish the need for new facilities much sooner. Although every effort has been made in this master planning process to conservatively estimate when facility development may be needed, aviation demand will dictate when facility improvements need to be accelerated or delayed.

The real value of a usable master plan is that it keeps the issues and objectives in the mind of the user so that he or she is better able to recognize change and its effect. In addition to adjustments in aviation demand, decisions made as to when to undertake recommended improvements in this master plan will impact the period that the plan remains valid. The format used in this plan is intended to reduce the need for costly updates. Updating can be done by the user, improving the plan's effectiveness.

In summary, the planning process requires the Town of Colorado City to consistently monitor the progress of the airport in terms of total aircraft operations, total based aircraft, and overall aviation activity. Analysis of aircraft demand is critical to the exact timing and need for new airport facilities. The information obtained from continually monitoring airport activity will provide the data necessary to determine if the development schedule should be accelerated or delayed.